

**REPORT
ON THE
RATE SETTING AUDIT**

**ALPINE HOME I
PARADISE, CALIFORNIA
PROVIDER NUMBERS: LTC80036F / NPI 1154332302**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

**Audits Section - Sacramento
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Acting Section Chief: Jeff Sandman
Audit Supervisor: Steven Gary
Auditor: J. A. Gotay**



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

December 30, 2009

Robert M. Carli, Administrator
Alpine Home I
6156 Ripley Lane
Paradise, CA 95969

PROVIDER: ALPINE HOME I
PROVIDER NOS. LTC80036F / NPI 1154332302
FISCAL PERIOD ENDED DECEMBER 31, 2008

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the accompanying audit report schedules represent a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles. The results of our examination are as follows:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	475,166	\$ 217.47
Net Audit Adjustment		<u>(18,478)</u>	<u>(8.46)</u>
Audited Cost/Cost Per Day	\$	<u>456,688</u>	\$ <u>209.01</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Rate Development Branch.

Robert M. Carli, Administrator
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Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

If you disagree with the decision of the Department, you may appeal by writing to:

John Melton, Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899-7413

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814-5005
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section - Sacramento at (916) 650-6994.

Original Signed By

Jeff Sandman, Acting Chief
Audits Section - Sacramento
Financial Audits Branch

Certified

**SUMMARY OF AUDITED FACILITY CENSUS
AND AUDITED CLIENT COST PER DAY**

Provider:
ALPINE HOME I

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80036F

**SUMMARY OF AUDITED FACILITY CENSUS
AND AUDITED CLIENT COST PER DAY**

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,185	2,185
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,185</u>	<u>2,185</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>475,166</u>	\$ <u>456,688</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>217.47</u>	\$ <u>209.01</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ALPINE HOME I

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80036F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 7,593	\$	\$ 7,593
050	Leases and Rentals		822		822
055	Real Property Taxes		1,339		1,339
060	Personal Property Taxes				0
065	Mortgage Interest	1	770	(770)	0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 10,524	\$ (770)	\$ 9,754
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,725	\$	\$ 4,725
085	Utilities		10,952		10,952
090	Client Transportation	2	4,072	(2,003)	2,069
095	Dietary		7,691		7,691
100	Personal Care and Laundry		6,705		6,705
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,145	\$ (2,003)	\$ 32,142
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 44,669	\$ (2,773)	\$ 41,896
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,729	\$	\$ 13,729
120	QMRP Fringe Benefits		4,429		4,429
125	Lead Salaries	3	120,124	(3,384)	116,740
130	Lead Fringe Benefits		29,236		29,236
135	Aides Salaries		115,247		115,247
140	Aides Fringe Benefits		34,371		34,371
145	Other Salaries		538		538
150	Other Fringe Benefits		107		107
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 317,781	\$ (3,384)	\$ 314,397

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ALPINE HOME I

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80036F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,339	\$	\$ 1,339
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,909		2,909
175	Occupational Therapy Consultant		930		930
180	Pharmacist Consultant		300		300
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		2,340		2,340
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		10,690		10,690
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,508	\$ 0	\$ 18,508
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries	3	\$ 33,995	\$ (12,321)	\$ 21,674
225	Administrative Fringe Benefits		9,682		9,682
226	Quality Assurance Fees		25,460		25,460
230	Other Administrative and General		25,071		25,071
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 94,208	\$ (12,321)	\$ 81,887
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 475,166	\$ (18,478)	\$ 456,688
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 475,166	\$ (18,478)	\$ 456,688

SUMMARY OF AUDITED LABOR REPORT

Provider:
ALPINE HOME I

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80036F

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 4,429	\$ 13,729	598	\$ 22.96
2	Lead	29,236	116,740	3,586	32.55
3	Aides	34,371	115,247	12,103	9.52
4	Other	107	538	38	14.16
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 68,143	\$ 246,254	16,325	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,339	33	\$ 40.58
7	Speech Pathology				0.00
8	Physical Therapy		2,909	58	50.16
9	Occupational Therapy		930	14	68.85
10	Pharmacist		300	4	75.00
11	Nurse				0.00
12	Psychologist				0.00
13	Physician		2,340	13	180.00
14	Recreational				0.00
15	Social Service				0.00
16	Other		10,690	267	40.04
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 18,508	389	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 9,682	\$ 8,599	698	\$ 12.32
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 77,825	\$ 273,361	17,412	

Provider Name		Fiscal Period		Provider Number		Adjustments				
ALPINE HOME I		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80036F		3				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT							
1	4	65	4	2	2	65.00	Mortgage Interest	\$770	(\$770)	\$0
							To eliminate the reported mortgage interest expense due to insufficient documentation that the borrowing was necessary, proper, reasonable and related to patient care. 42 CFR 413.20, 413.24, 413.134 and 413.153 CMS Pub. 15-1, Sections 202.1, 202.2, 226 and 2304			
2	4	90	4	2	2	90.00	Client Transportation	\$4,072	(\$2,003)	\$2,069
							To eliminate interest expense associated with the caravan due to insufficient documentation that the borrowing was necessary, proper, reasonable and related to patient care. 42 CFR 413.20, 413.24, 413.134 and 413.153 CMS Pub. 15-1, Sections 202.1, 202.2, 226 and 2304			
3	4.1	125	4	2	2	125.00	Lead Salaries	\$120,124	(\$3,384)	\$116,740
	4.1	220	4	2	2	220.00	Administrative Salaries	33,995	(12,321)	21,674
							To adjust the owners' compensation to a reasonable amount as defined by CMS guidelines and state compensation tables. Social Security Act Section 1861(v)(1)(A) 42 CFR, Section 413.9(c)(2), 413.20 and 413.24 CMS Pub. 15-1, Sections 904, 905.1, 2102.1, 2102.3, 2300 and 2304			